

Representative Rebecca D. Lockhart proposes the following substitute bill:

**RECOVERY OF ADMINISTRATIVE FEE FOR
DAMAGES SUSTAINED TO A RENTAL MOTOR
VEHICLE**

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Rebecca D. Lockhart

This act modifies the Insurance Code to authorize a vehicle rental company to charge an administrative fee for damage sustained to a rental vehicle. This act allows the collection of an administrative fee that vehicle rental companies may charge to offset the expenses incurred for collecting and resolving a damage claim on a rental vehicle. This act adds the administrative fee and any diminution in value to the definition of damage to a rental vehicle.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

31A-22-311, as last amended by Chapter 316, Laws of Utah 1994

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-22-311** is amended to read:

31A-22-311. Definitions.

As used in Sections 31A-22-312 and 31A-22-314:

(1) "Administrative fee" means a fee collected by a vehicle rental company to offset expenses incurred in administering the collection and resolution of a claim.

[(+)] (2) "Authorized driver" means the person to whom the vehicle is rented and includes:

(a) his spouse if a licensed driver satisfying the rental company's minimum age requirement;



(b) his employer or coworker if engaged in business activity with the renter and if they are licensed drivers satisfying the rental company's minimum age requirement;

(c) any person who operates the vehicle during an emergency situation;

(d) any person who operates the vehicle while parking the vehicle at a commercial establishment; or

(e) any person expressly listed by the rental company on the rental agreement as an authorized driver.

~~[(2)]~~ (3) "Damage" means any damage or loss to the rented vehicle ~~[resulting from a collision;]~~ including:

(a) loss of use [and];

(b) any costs and expenses incident to the damage or loss[-];

(c) an administrative fee associated with the loss; and

(d) any diminution of value of the rental vehicle as a result of the damage or loss.

~~[(3)]~~ (4) "Rental agreement" means any written agreement stating the terms and conditions governing the use of a private passenger motor vehicle provided by a rental company.

~~[(4)]~~ (5) "Rental company" means any person or organization in the business of providing private passenger motor vehicles to the public.

~~[(5)]~~ (6) "Renter" means any person or organization obtaining the use of a private passenger motor vehicle from a rental company under the terms of a rental agreement.